

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2373 - HB 2324

March 13, 2014

SUMMARY OF BILL: Authorizes any party, upon receiving a finding and adjudication from a water and wastewater treatment authority board, to appeal to the Utility Management Review Board (UMRB) within 30 days. Authorizes such party to appeal any decision made by the UMRB in a circuit court. Authorizes an annexing municipality to provide water and wastewater service to customers within the service area of an established water and wastewater treatment authority.

ESTIMATED FISCAL IMPACT:

Increase Local Expenditures – Not Significant

Other Fiscal Impact – A precise impact to the Office of the Comptroller of the Treasury cannot be determined.

Assumptions:

- According to the Comptroller of the Treasury, any impact to the UMRB cannot be determined as the number of appeals required to be heard by the board is unknown.
- Under current law, a municipality may only provide services in the service area of a water and wastewater authority if the municipality petitions the authority and receives a cession by the authority.
- The provisions would authorize any annexing municipality to provide service to the residents within the annexed area, regardless of a water and wastewater treatment authority currently providing service to such area.
- Pursuant to Tenn. Code Ann. § 68-221-602, water and wastewater treatment authorities are public and governmental bodies acting as agencies and instrumentalities of the creating and participating city, metropolitan government, or county.
- Due to multiple unknown variables, such as how many annexing municipalities will choose to provide such service to an area currently served by an authority, the extent of any decrease in revenue for the authority upon removal of such customers, and the extent of any increase in revenue for the annexing municipality, a precise fiscal impact to local government cannot reasonably be determined, however because such transactions are occurring between local government entities, the net fiscal impact to local government is considered to be not significant.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumption:

- The provisions of the bill will merely impact services currently provided by local government entities and will not impact private businesses; therefore any impact to commerce statewide is considered to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

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